

AUDIT COMMITTEE

5 MARCH 2007

OUTCOMES OF HOUSING BENEFIT COUNTER FRAUD INVESTIGATIONS

Report from: Internal Audit

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1 Summary

1.1 To inform members of progress in investigating allegations of housing and Council tax benefit fraud during the period September 2006 to January 2007.

2 Decision issues

2.1 Following the Council's decision to establish this Committee, it is within the remit of this Committee to take decisions regarding accounts and audit issues.

3 Background

3.1 Medway Council has had a sanction policy since 2002 following changes to the way benefit investigations should be conducted. These changes resulted in a more rigorous investigative standard being adopted which lead to specific outcomes, known as sanctions. Namely, that local authorities should consider the use of one of the following courses of action following a successful investigation:-

- Prosecution
- Issue of a caution
- Issue of an administrative penalty (fine).

4 Outcome of Benefit Investigations

4.1 In the 2006/07 financial year, the investigations team has identified £385,629 of fraudulent overpayments of Housing and Council Tax Benefit. Since the last report, investigations have resulted in the issue of thirty eight sanctions (Annex A).

5 Financial implications

5.1 There are no financial implications arising from this report.

6 Legal implications

6.1 There are no legal implications arising from this report.

7 Recommendations

7.1 Members to note progress in investigating benefit fraud in accordance with the approved sanction policy.

8 Background papers

8.1 None.

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**Prosecutions completed
September 2006 – January 2007**

Investigation Case number/HB Reference	Fraud Type	Fraudulent overpayment £	Court	Court sentence and date	Overpayment o/s as at court sentencing date £	Current Overpayment outstanding £	Comment
7683	Non disclosure of capital (£66,000)	8,834	Medway Magistrates Court	12 months conditional plus £750 costs 04/08/06	8,833	8,793	Debt passed to external company to collect on our behalf
8063	Living together as husband and wife	3,168.19 (CTB)	Maidstone Crown Court	8 months custodial 01/12/06	4,227	4,287	Debt increased by loss of SPD and costs
8183	Non disclosure of earnings	2,747	Medway Magistrates Court	12 months conditional plus £75 costs 23/11/06	1,219	820	
8415	Non disclosure of earnings	1,599 plus DWP benefits	Maidstone Crown Court	18 months custodial 27/10/06	594	594	Claimant in Prison due to be released July 2007
8492	Non disclosure of capital (£33,000)	4,521	Medway Magistrates Court	£200 fine plus £150 costs 09/11/06	945	945	Will repay through deduction from housing benefit
8565	Owned property for which HB claimed	5,754	Medway Magistrates Court	100 hours community service plus £100 costs 02/10/06	5,983	5,956	Repaying through deduction from housing benefit
8625	Claimant lived overseas during claim period	1,843	Medway Magistrates Court	12 months conditional plus £250 costs 26/10/06	1,763	1,496	Repaying through deduction from housing benefit

**Prosecutions completed
September 2006 – January 2007**

Investigation Case number/HB Reference	Fraud Type	Fraudulent overpayment £	Court	Court sentence and date	Overpayment o/s as at court sentencing date £	Current Overpayment outstanding £	Comment
8699	Non disclosure of non-dependents income	767	Medway Magistrates Court	Fined £ 50 plus £100 costs 10/08/06	1,424	NIL	
8744	Non disclosure of partner living at property	5,965	Medway Magistrates Court	12 months conditional plus £150 costs 27/02/06	5,964	3,794	
8867	Non disclosure of earnings	2,893	Medway Magistrates Court	12 months conditional plus £75 costs 03/08/06	2,791	2,756	Repaying through deduction from housing benefit
8955	Landlord continued to receive payment for claimant who was not living at property	7,202	Medway Magistrates Court	12 months conditional plus £600 costs 29/11/06	Nil	Nil	
8963	Not living at property and provided false documentation	1,858	Medway Magistrates Court	Fined £ 250 plus £150 costs 27/11/06	1,662	328	Claimant declined to attend IUC interview.
9037	Non disclosure of earnings and DWP benefits	9,799	Medway Magistrates Court	120 hours community service plus £150 costs 03/08/06	10,719	10,069	Debt passed to external company to collect on our behalf

**Prosecutions completed
September 2006 – January 2007**

Investigation Case number/HB Reference	Fraud Type	Fraudulent overpayment £	Court	Court sentence and date	Overpayment o/s as at court sentencing date £	Current Overpayment outstanding £	Comment
9450	Fraudulent encashment of claimant's cheque by landlord	Nil	Maidstone Crown Court	6 months custodial 16/10/06	Nil	Nil	

**Cautions, Administrative Penalty Issued
September 2006 – January 2007**

Case Number	Fraud Type	Overpayment £	Comment
8477	Relationship with landlord	3,578	Claimant cautioned.
8587	Non disclosure of capital	5,267	Claimant cautioned.
8721	Non disclosure of earnings	1,163	Claimant cautioned.
8898	Non disclosure of earnings	2,337	Claimant cautioned.
8931	Not living at property	508	Claimant cautioned.
8970	Non disclosure of partner	1,858	Claimant cautioned.
8988	Non disclosure of earnings	1,185	Claimant cautioned.
9025	Non disclosure of earnings	217	Claimant cautioned.
9083	Non disclosure of capital	51	Claimant (husband) cautioned. Linked to case 9578 below
9578	Non disclosure of capital	Nil	Claimant (wife) cautioned. Case linked to 9083 above
9105	Non disclosure of partner	2,053	Claimant cautioned.
9152	Non disclosure of partner	1,650	Claimant cautioned.
9172	Claimant owned another property	Nil	Claimant cautioned.
9178	Non disclosure of changes to dependants living at property	243	Claimant cautioned.
9179	Non disclosure of partner	388	Claimant cautioned.
9217	Relationship with landlord	962	Claimant cautioned.

Case Number	Fraud Type	Overpayment £	Comment
9239	Non disclosure of non-dependants earnings	584	Claimant cautioned.
9306	Provided false information with new claim	Nil	Claimant cautioned.
9311	Non disclosure of capital	1,684	Administrative Penalty issued.
9319	Relationship with landlord	12,942	Claimant cautioned.
9411	Non disclosure of partner's earnings	231	Claimant cautioned.
9412	Non disclosure of non-dependant	202	Claimant cautioned.
9458	Non disclosure of capital	Nil	Claimant cautioned.
9468	Non disclosure of earnings and DWP benefits	17,851	Claimant cautioned.